



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

12300 W. Dakota Ave., Suite 110
Lakewood, CO 80228

SENT TO COMPLIANCE REGISTRY

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NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

May 14, 2007

Mr. Clark Storms
Vice President, Land and Legal
Omimex Canada, LTD
2001 Beach Street, Suite 810
Fort Worth, TX 76103

CPF 5-2007-1005M

Dear Mr. Storms:

On February 26 to March 1, 2007, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Omimex procedures for the integrity management program at your Battle Creek compressor station in Montana.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within Omimex's integrity management plan, as described below:

1. §192.911 What are the elements of an integrity management program?

An operator's initial integrity management program begins with a framework (see § 192.907) and evolves into a more detailed and comprehensive integrity management program, as information is gained and incorporated into the program. An operator must make continual improvements to its program. The initial program framework and subsequent program must, at minimum, contain the following elements. (When indicated, refer to ASME/ANSI B31.8S (ibr, see § 192.7) for more detailed information on the listed element.)

(p) A process for identification and assessment of newly-identified high consequence areas. (See § 192.905 and § 192.921.)

- **Item 1.A: §192.905(a) and §192.905(b)**

Omimex Integrity Management Program's (IMP) process for identifying new high consequence areas (HCAs) does not have sufficient detail either under; Section A-Identification of HCAs or Section G-Process for Identification and Assess of New HCAs.

- **Item 1.B: §192.905(c)**

Omimex's IMP does not contain a description and time line for actions to be taken as soon as an HCA is identified.

- **Item 1.C: §192.903**

Omimex's IMP does not state how the Potential Impact Radius (PIR) is to be applied to the pipeline to determine if a pipeline has an HCA.

2. §192.911 What are the elements of an integrity management program?

(i) A performance plan as outlined in ASME/ANSI B31.8S, section 9 that includes performance measures meeting the requirements of § 192.945

- **Item 2.A: §192.945**

Though Omimex has not yet found there to be any HCAs along their pipeline right-of-way, their IMP does not have a process for submitting semi-annual reviews to reflect that there are no HCAs along their pipeline. Additionally, Omimex's IMP does not have a process for submitting the four overall performance measures for HCAs specified in ASME/ANSI B31.8S, section 9.4, and the specific measures for each identified threat specified in ASME/ANSI B31.8S, Appendix A, if they do establish there is an HCA along a pipeline segment.

Response to this Notice

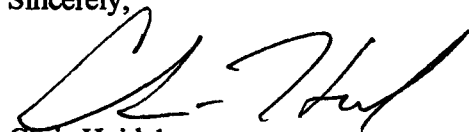
This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.237. Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance Proceedings*. Please refer to this document and note the response options. Be advised that all material you submit in response to this enforcement action is subject to being made publicly available. If you believe that any portion of your responsive material qualifies for confidential treatment under 5 U.S.C. 552(b), along with the complete original document you must provide a second copy of the document with the portions you believe qualify for confidential treatment redacted and an explanation of why you believe the redacted information qualifies for confidential treatment under 5 U.S.C. 552(b). If you do not respond within 30 days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this

Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to you and to issue a Final Order.

If, after opportunity for a hearing, your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.237). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 30 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

In correspondence concerning this matter, please refer to **CPF 5-2007-1005M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,



Chris Hoidal
Director, Western Region
Pipeline and Hazardous Materials Safety Administration

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*

cc: PHP-60 Compliance Registry
PHP-500 G. Davis (#119073)